

Message Text

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PAGE 01 JAKART 08241 230422Z

ACTION EA-09

INFO OCT-01 ISO-00 EB-07 L-03 TRSE-00 AS-01 /021 W

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1924

INFO USDOC WASHDC

UNCLAS JAKARTA 8241

E.O. 11652: N/A

TAGS: BGEN, ID

SUBJ: SOLE DISTRIBUTORSHIPS

REF: STATE 142749 (NOTAL)

1. FIRST WE MUST STRESSES THAT EMBASSY DOES NOT EMPLOY LEGAL EXPERTS AND THAT FOLLOWING RESPONSE IS OUR UNDERSTANDING ONLY. WE SUGGEST THAT CHICAGO ATTORNEY BE MADE AWARE HE WOULD BE WELL ADVISED TO CORROBORATE FOLLOWING LAYMAN'S OPINION BY DISCUSSING SUBJECT QUESTION WITH COMPETENT LEGAL AUTHORITY.

2. WITH ABOVE CAVEAT IT IS OUR UNDERSTANDING THAT IN MOST CASES FOREIGN COMPANY CAN REPEAT CAN UNILATERALLY TERMINATE WITHOUT GIVING CAUSE BUT GIVING PROPER NOTICE, A SOLE DISTRIBUTORSHIP, PROVIDING OF COURSE THAT CONTRACT CONFERS THIS PRIVILEGE.

3. EXCEPTION TO ABOVE IS WHEN INDONESIAN FIRM WILL LOSE MONEY INVESTED AS RESULT THE SOLE DISTRIBUTORSHIP RELATIONSHIP, AS OPPOSED TO FUTURE BUSINESS, AS A RESULT OF TERMINATION. IN THIS CASE GOI DEPARTMENT OF TRADE MAY INVOLVE ITSELF, IF ASKED BY INDONESIAN FIRM, TO WORK OUT AN AMICABLE SOLUTION,

4. SECOND EXCEPTION IS IF SOLE DISTRIBUTORSHIP IS IN HEAVY EQUIPMENT LINE. TYPICALLY LOCAL FIRM WITH HEAVY
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EQUIPMENT SOLE DISTRIBUTORSHIP HAS THREE-YEAR IMPORT LICENSE FROM TRADE AND INDUSTRY DEPARTMENTS IN ITS NAME AND IN MANE OF HEAVE EQUIPMENT REGIONAL REPRESENTATIVE. BEFORE A NEW LOCAL SOLE DISTRIBUTORSHIP CAN BE NAMED FORMER LOCAL HOLDER OF THE LICENSE MUST RELINQUISH LICENSE, IF IT IS STILL VALID.

5. APPROPRIATE INDONESIAN LEW WHICH COVERS THIS SITUATION IS INDONESIAN CIVIL CODE BOOK 3, CHAPTER XVI REPEAT XVI (SIXTEEN), ARTICLES 1793-1819 REPEAT 1792-1819.
RIVES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770224-0019
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770628/aaaaaxqq.tel
Line Count: 66
Litigation Code IDs:
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Retention: 0
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Review Event:
Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2059175
Secure: OPEN
Status: NATIVE
Subject: SOLE DISTRIBUTORSHIPS
TAGS: BGEN, ID
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/4a596078-c288-dd11-92da-001cc4696bcc
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